

WC 06-64

DAVIS WRIGHT TREMAINE LLP

LAWYERS

STAMP & RETURN



Davis Wright Tremaine LLP

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March 13, 2006

BY HAND DELIVERY

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

RECEIVED

MAR 13 2006

Federal Communications Commission
Office of Secretary

Re: Application for Transfer of Control of Domestic Section 214 Authority

Dear Ms. Dortch:

We are submitting herewith an original and five (5) copies of an Application for transfer of control of domestic Section 214 authority from Cass County Telephone Company, Limited Partnership and LEC Long Distance, Inc. d/b/a CassTel Long Distance ("Transferors") to FairPoint Communications Missouri, Inc., FairPoint Communications, Inc., and ST Long Distance, Inc. d/b/a FairPoint Communications Long Distance ("Transferees"). This Application is subject to the Commission's streamlined processing procedures. We would appreciate it if you would date-stamp and return to us the copy of the Application noted as "Stamp and Return."

FCC Form 159 and a check in the amount of \$895.00, payable to the Federal Communications Commission, are being sent by messenger today to the FCC Lockbox at the Mellon Bank in Pittsburgh.

Any questions regarding this matter should be directed to the undersigned counsel.

Sincerely,

DAVIS WRIGHT TREMAINE LLP

James M. Smith

Enclosures

RECEIPT COPY

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of the Application of)
CASS COUNTY TELEPHONE COMPANY,)
LIMITED PARTNERSHIP, and)
LEC LONG DISTANCE, INC.)
D/B/A CASSTEL LONG DISTANCE,)
Transferors)
and)
FAIRPOINT COMMUNICATIONS, INC.,)
FAIRPOINT COMMUNICATIONS)
MISSOURI, INC.,)
ST LONG DISTANCE, INC.,)
D/B/A FAIRPOINT COMMUNICATIONS)
LONG DISTANCE)
Transferees.)
Application for Authorization Pursuant to)
Section 214 of the Communications Act of)
1934, as Amended, for Transfer of Control of)
Blanket Domestic Section 214 Authority and)
Certain Telecommunications Assets)

FCC/MELLON MAR 13 2006

File No. _____

APPLICATION

Cass County Telephone Company, Limited Partnership ("CassTel") and LEC Long Distance, Inc. d/b/a CassTel Long Distance ("CassTel LD") (collectively, "Transferors"), and FairPoint Communications Missouri, Inc. ("FairPoint"), FairPoint Communications, Inc., and ST Long Distance, Inc. d/b/a FairPoint Communications Long Distance ("FairPoint LD") (collectively, "Transferees"), through their undersigned

counsel, hereby respectfully request authorization pursuant to Section 214 of the Communications Act, as amended, and Sections 63.03 and 63.04(a) of the Commission's Rules, to transfer control of certain telecommunications assets from Transferors to Transferees. Transferor CassTel provides local exchange and exchange access services, and proposes the transfer of assets associated with these activities to FairPoint. Transferor CassTel LD provides domestic interstate common carrier services, pursuant to blanket authority under Section 63.01 of the Commission's rules, and proposes the transfer of assets associated with this business to FairPoint LD. Neither Transferor provides international services, and thus no international Section 214 authorizations are involved in this Application.

This Application is entitled to presumptive streamlined treatment under subsections 63.03(b)(1)(iii) and 63.03(b)(2)(iii) of the rules, respectively, inasmuch as: (1) with respect to the transfer of the local exchange carrier assets of CassTel to FairPoint, the proposed transaction involves only the transfer of the local exchange assets of an incumbent LEC by means other than an acquisition of corporate control; and (2) with respect to the transfer of the interexchange carrier assets of CassTel LD to FairPoint LD, the transaction will result in Transferees having a market share in the interstate, interexchange market of less than 10 percent, no competitive telephone exchange or exchange access services are implicated in the transaction, and Applicants are affiliates of incumbent independent local exchange carriers that have, in combination, fewer than two (2) percent of the nation's subscriber lines, and no overlapping or adjacent service areas. Moreover, the proposed transaction will not result in any loss or impairment of service to the customers affected by the proposed transaction.

In support of this Application, pursuant to Section 63.04(a) of the Commission's Rules, Applicants state as follows:

(1) **Name, address and telephone number of the Applicants:**

Transferors:

Cass County Telephone Company, Limited Partnership
260 West First Street
Peculiar, MO 64078
(816) 779-5333
FRN: 0004-3740-13

LEC Long Distance, Inc. d/b/a CassTel Long Distance
260 West First Street
Peculiar, MO 64078
(816) 779-2277
FRN: 0004-3740-88

Transferees:

FairPoint Communications, Inc.
521 East Morehead Street, Suite 250
Charlotte, NC 28202
(704) 344-8150
FRN: 0007-7099-91

FairPoint Communications Missouri, Inc.
521 East Morehead Street, Suite 250
Charlotte, NC 28202
(704) 344-8150
FRN: 0014-7103-88

ST Long Distance Inc. d/b/a FairPoint Communications Long Distance
908 West Frontview
PO Box 199
Dodge City, KS 67801
(620) 227-8576
FRN: 0003-7233-27

(2) States in which applicants are organized:

Transferor CassTel is a limited partnership organized and existing under the laws of the State of Maryland. Transferor CassTel LD is a corporation duly organized and existing under the laws of the State of Missouri.

Transferee FairPoint Communications Missouri, Inc. is a corporation organized and existing under the laws of the State of Missouri. It is wholly-owned by MJD Services Corp., which in turn is wholly-owned by FairPoint Communications, Inc., both corporations organized and existing under the laws of the State of Delaware.

Transferee ST Long Distance, Inc. d/b/a FairPoint Communications Long Distance is a corporation organized and existing under the laws of the State of Delaware. It is wholly-owned by ST Enterprises, Ltd., a corporation organized and existing under the laws of the State of Kansas. ST Enterprises, Ltd. is, in turn, wholly owned by FairPoint Communications, Inc.

(3) Direct correspondence to:

For Transferors:

Randall B. Lowe, Esq.
James M. Smith, Esq.
Davis Wright Tremaine LLP
Suite 450
1500 K Street, N.W.
Washington, D.C. 20005
(202) 508-6600
Their Counsel

For Transferees:

Shirley J. Linn, Esquire
Senior Vice President and General Counsel
FairPoint Communications, Inc.
521 East Morehead Street, Suite 520
Charlotte, North Carolina 28202
(704) 344-8150

With a copy to Counsel:

Stephen G. Kraskin
Communications Advisory Counsel, LLP
2154 Wisconsin Avenue, NW
Washington, DC 20007
(202) 333-1770

- (4) **Name, address, citizenship and principal business of any entity owning 10% or more of the equity of the applicants, and the percentage of equity owned by each of those entities:**

Transferors:

Local Exchange Company LLC
(Sole General Partner of Transferor CassTel, holding 99% of ownership interest thereof; and the sole shareholder of CassTel LD))
192 West Broadway
Peculiar, MO 64078
(816) 779-5510

Citizenship: Maryland Limited Liability Company
Principal Business: Holding Company

Other than the following, no individual or entity directly or indirectly owns 10% or more of equity of Local Exchange Company, LLC:

<u>Name & Address</u>	<u>Equity</u>	<u>Citizenship</u>	<u>Principal Business</u>
Norman Chanes 279 Central Park West New York, NY 10024	12.97%	US	Advertising

Transferees:

FairPoint Communications Missouri, Inc., a Missouri corporation, is wholly-owned by MJD Services Corp. which, in turn, is wholly-owned by FairPoint

Communications, Inc. Correspondence to both MJD Services Corp. and FairPoint Communications, Inc. may be directed to:

Suite 250
521 East Morehead Street
Charlotte, NC 28202
(704) 344-8150

ST Long Distance, Inc. d/b/a FairPoint Communications Long Distance is wholly-owned by ST Enterprises, Ltd., which, in turn, is wholly-owned by FairPoint Communications, Inc. Correspondence to both ST Long Distance, Inc. and ST Enterprises, Ltd. may be directed to:

908 W. Frontview, P. O. Box 199
Dodge City, KS 67801
(620) 227-4467

Approximately 74% of the shares of FairPoint Communications, Inc. are owned by members of the general public. Other than the following, no individual shareholder directly or indirectly owns 10% or more of FairPoint Communications, Inc. common stock:

<u>Name & Address</u>	<u>Equity</u>	<u>Citizenship</u>	<u>Principal Business</u>
Thomas H. Lee Equity Fund IV, L.P. 75 State Street Boston, MA 02109	11.35%	DE L.P.	Investments

The general partner of Thomas H. Lee Equity Fund IV, L.P. is THL Equity Advisors, IV, LLC. No single individual or entity holds a 10 percent or greater interest in THL and its affiliated funds.

<u>Name & Address</u>	<u>Equity</u>	<u>Citizenship</u>	<u>Principal Business</u>
Wellington Management Company, L.L.P. 75 State Street Boston, MA 02109	14%	MA L.L.P.	Investments

Wellington Management Company is an investment advisor holding indicia of ownership (including shared powers to direct voting and decisions regarding disposition) on behalf of clients directly owning the stated amount. No single client of Wellington Management Company holds a 5% or greater interest in FairPoint Communications, Inc.

(5) Certifications under Anti-Drug Abuse Act:

Applicants certify pursuant to Sections 1.2001 through 1.2003 of the Commission's rules that they are not subject to a denial of Federal benefits pursuant to section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 853.

(6) Description of the transaction:

On December 14, 2005, the aforementioned CassTel and FairPoint entities entered into an Asset Purchase Agreement whereby FairPoint will acquire substantially all of the telephone properties and related assets of CassTel necessary for the provision of local exchange services in its exchange areas in Missouri and adjoining exchanges in Kansas. In addition, the Asset Purchase Agreement provides for the simultaneous transfer of substantially all of the CassTel LD assets related to the provision of interstate long distance to FairPoint LD.

FairPoint's ultimate parent, FairPoint Communications, Inc. is a geographically diverse rural telephone company, owning 28 local telephone companies in 17 states with approximately 289,000 access line equivalents in service. After the transaction, FairPoint will provide local exchange services to existing CassTel customers under the same rates, terms and conditions as are currently in force for those exchanges. Similarly, FairPoint LD will provide long distance services to existing CassTel LD customers, initially without modification of current rates, terms and conditions.

(7) Description of the geographic areas in which the Transferors and Transferees (and their affiliates) offer domestic telecommunications services, and what services are provided in each area:

CassTel holds Certificates of Public Convenience and Necessity issued by the Missouri Public Service Commission and the Kansas Corporation Commission to

provide wireline telecommunications and related services to approximately 8,000 access lines in the exchanges of Peculiar, Garden City, Drexel, Cleveland, East Lynn and Creighton, in rural Missouri, as well as adjoining portions of the West Drexel and West Cleveland exchanges in neighboring Kansas. The CassTel service territory is located approximately 30 miles south of Kansas City, Missouri and covers approximately 439 square miles in Cass County, Missouri and Miami County, Kansas.

In addition to exchange and exchange access services, CassTel provides CLASS services, voice-mail services, Internet services, 911 services, transport services, billing and collection services and directory services in and around the geographic territory of Cass County, Missouri and adjoining areas in Miami County, Kansas. CassTel LD provides domestic inter- and intrastate long distance services to consumers in the same geographic area. Attached as an Exhibit hereto are copies of exchange boundary maps which provide an accurate depiction of the service areas in question.

As noted above, FairPoint Communications, Inc. is a diversified telecommunications company, operating 28 incumbent local telephone companies in 17 states. FairPoint Communications, Inc. affiliates provide customers local exchange and exchange access services, long distance voice, data, Internet and broadband offerings, and enhanced calling features, digital subscriber line services, Internet access, advanced data services and cable television services.

(8) Statement concerning streamlined processing:

As noted above, this Application is entitled to presumptive streamlined treatment under subsection 63.03(b)(1)(iii) of the rules with respect to the local exchange telephone assets, inasmuch as the proposed transaction involves only the transfer of the local exchange assets of an incumbent LEC by means other than an acquisition of corporate control. It is also entitled to presumptive streamlined treatment with respect to the interexchange assets pursuant to subsection 63.03(b)(2)(iii), inasmuch as the proposed transaction results in Transferees having a market share in the interstate, interexchange market of less than 10 percent, no competitive telephone exchange or exchange access services are implicated in the transaction, and Applicants are incumbent independent local exchange carriers that have, in combination, fewer than two (2) percent of the nation's subscriber lines and no overlapping or adjacent service areas.¹ Finally, the proposed transaction will not result in any loss or impairment of service to customers.

(9) Identification of all other Commission applications related to this transaction:

None.

(10) Is special consideration requested due to imminent business failure of either applicant?

No.

(11) Have any separately filed waiver requests been sought in conjunction with this transaction?

No.

¹After the proposed transaction, FairPoint Communications, Inc. affiliates will serve approximately 256,000 access lines nationwide, accounting for approximately one-eighth of one percent of the Nation's estimated 180,000,000 access lines. *See* Federal Communications Commission: Trends in Telephone Service, April 2005 (Table 8.1, End-User Switched Access Lines as of June, 2004)).

(12) How will grant of this application serve the public interest, convenience and necessity?

The proposed transaction will serve the public interest by ensuring no interruption of service and no inconvenience to the affected customers. Transferees have the technical, financial and managerial capabilities to provide quality service to Transferors' customers. Furthermore, because Transferees will provide service to Transferors' customers at the same rates, terms and conditions of service as they currently receive, the transaction will be virtually transparent to customers in terms of the service they receive.

Transferee FairPoint will be well positioned in a competitive marketplace in general as a result of its greater access to operating, engineering, financial, legal, marketing and sales, regulatory, human and information technology resources.

Specific examples of such advantages include:

- a. Proven Expertise – As noted above, FairPoint Communications, Inc. is a nationally recognized provider of communications services in rural communities, offering an array of services, including local voice, long distance, data, Internet and broadband product offerings.
- b. Financial Capacity – FairPoint Communications, Inc. has substantial access to financial resources. In conjunction with its 2005 initial public offering of 25,000,000 shares listed on the New York Stock Exchange, FairPoint Communications, Inc. obtained a new senior secured credit facility consisting of a \$100 million revolving facility and a \$588.5 million B-Term loan facility. The \$100 million revolving facility can be drawn


immediately and allows for financial flexibility not commonly available to local telephone companies.

- c. **Purchasing Power** – As the operator of 28 separate incumbent local telephone companies in 17 states, FairPoint Communications, Inc. has considerable purchasing and negotiating power with industry vendors. This purchasing and negotiating power is accomplished via a single purchasing entity which allows all companies to share in volume pricing.
- d. **Marketing and Sales** – The national approach of FairPoint Communications, Inc. to marketing and sales allows for faster time to market of new products and new technologies that the customer demands and deserves. New products can be tested and launched more quickly as information is shared between a greater number of markets.
- e. **Technological Advancement** – The commitment of FairPoint Communications, Inc. to the customer at both a national and local level assures that it is continually evaluating and testing the latest technologies in order to deliver the broadest product offerings available. For example, the company's commitment to broadband throughout its communities has resulted in it having one of the highest broadband penetration and customer growth rates for rural ILECs nationwide. In 2005, the broadband customer base of the combined FairPoint companies grew organically by 27%.

Conclusion

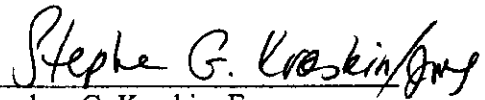
For the reasons stated above, Applicants submit that the public interest, convenience and necessity would be furthered by a grant of this Application.

Respectfully submitted,



Randall B. Lowe, Esq.
James M. Smith, Esq.
Davis Wright Tremaine LLP
Suite 450
1500 K Street, N.W.
Washington, D.C. 20005
(202) 508-6600

Counsel for Transferors



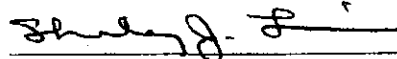
Stephen G. Kraskin, Esq.
Communications Advisory Counsel, LLC
2154 Wisconsin Avenue, NW
Washington, DC 20007
(202) 333-1770

Counsel for Transferees

March 10, 2006

DECLARATION OF SHIRLEY J. LINN

I, Shirley J. Linn, Senior Vice President of FairPoint Communications, Inc. ("FairPoint"), FairPoint Communications Missouri, Inc. ("FairPoint Missouri") and ST Long Distance, Inc. d/b/a FairPoint Communications Long Distance ("FairPoint LD"), do hereby declare under penalty of perjury that I have read the foregoing Application, and that the facts stated therein with respect to FairPoint, FairPoint Missouri and FairPoint LD are true and correct, to the best of my knowledge, information and belief.



Shirley J. Linn

Dated: 3/10/06

DECLARATION OF TERRY PECK

I, Terry Peck, Manager of Local Exchange Company LLC, the general partner of Cass County Telephone Company, Limited Partnership ("Cass County"), and the President of LEC Long Distance, Inc. d/b/a CassTel Long Distance ("CassTel"), do hereby declare under penalty of perjury that I have read the foregoing Application, and that the facts stated therein with respect to Cass County and CassTel are true and correct, to the best of my knowledge, information and belief.


Terry Peck

Dated: 3/10/06

CERTIFICATE OF SERVICE

I, AILEEN W. PRICE, do hereby verify that on this 13th day of March, 2006, I caused to be sent via First Class US Mail, postage prepaid, the foregoing "APPLICATION" to the following:

The Hon. Matt Blunt
Office of the Governor
Room 216, State Capitol Building
Jefferson City MO 65101

US Department of Defense
Assistant Secretary of Defense for C31
100 Defense Pentagon, Room 3E712
Washington, DC 20301-1000

US Department of State
EB/CIP/SCA
Room 4826
2001 C Street, NW
Washington, DC 20520

Aileen W. Price